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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 v.

14 PATH AMERICA, LLC, et al.,

15 Defendants, and

16 POTALA SHORELINE, LLC, et al.,

17 Relief Defendants.

CASE NO. C15-1350JLR

EIGHTH ORDER REGARDING
FEE APPLICATIONS

18 Before the court are five quarterly fee applications: **(1)** the eighth interim fee
19 application of Receiver Michael A. Grassmueck (“the Receiver”) for \$18,008.50 in fees
20 and \$1,328.50 in costs (Dkt. # 592); **(2)** the eighth interim fee application of the
21 Receiver’s general counsel, Allen Matkins Leck Gamble Mallory & Natsis, LLP (“Allen
22 Matkins”), for \$351,582.75 in fees and \$3,727.06 in costs (Dkt. # 591); **(3)** the eighth

1 interim fee application of Financial Forensics, the Receiver's forensic accountant, for
2 \$14,862.50 in fees and \$7.20 in costs (Dkt. # 593); **(4)** the eighth quarterly fee application
3 for the Receiver's local counsel, Karr Tuttle Campbell, P.S. ("Karr Tuttle"), for
4 \$3,599.00 in fees and \$335.05 in costs (Dkt. # 595); and **(5)** the fifth interim fee
5 application of Peterson Sullivan LLP, tax accountants for the Receiver, for \$23,650.00 in
6 fees and \$447.68 in costs (Dkt. # 594). As described below, the court GRANTS the fee
7 applications of the Receiver, Allen Matkins, Financial Forensics, Karr Tuttle, and
8 Peterson Sullivan (Dkt. ## 591-95).

9 Counsel for the Receiver filed all of the foregoing motions on November 14, 2017,
10 and noted them for the court's consideration on December 1, 2017. (*See id.*) Any
11 opposition to the motions was due no later than Monday, November 27, 2017. *See* Local
12 Rules W.D. Wash. LCR 7(d)(3) ("Any opposition papers shall be filed and served no
13 later than the Monday before the noting date."). Plaintiff Securities and Exchange
14 Commission ("SEC") filed a response stating that it does not oppose any of the fee
15 applications. (SEC Resp. (Dkt. # 598) at 2.) No party filed an opposition to any of the
16 motions. (*See generally* Dkt.)

17 The court finds that (1) the fees and costs requested in each of the fee applications
18 listed above are reasonable and necessary, (2) the notice of the fee applications was
19 appropriate, (3) the fee applications are made in accordance with the Order Appointing
20 Receiver (*see* Order Appointing Receiver ("OAR") (Dkt. # 88) ¶¶ 55-59), and (4) the
21 services provided were of substantial benefit to the Receivership Estate. Each of the
22 foregoing applicants seeks a distribution of only 80% of the approved fees and costs at

1 this time. (*See id.* ¶ 58 (“Quarterly Fee Applications may be subject to a holdback in the
2 amount of 20% of the amount of fees and expenses for each application filed with the
3 Court.”); *see also* Dkt. # 591 at 2; Dkt. # 592 at 2; Dkt. # 593 at 4; Dkt. # 594 at 4; Dkt.
4 # 595 at 1-2.)

5 Accordingly, the court GRANTS these fee applications (Dkt. ## 591-95) and
6 APPROVES on an interim basis the following application amounts for the period of July
7 1, 2017, through September 30, 2017:

8 Applicant:	Fees:	Costs:	Total Allowed:
9 Receiver Michael A. Grassmueck	\$18,008.50	\$1,328.50	\$19,337.00
10 Allen Matkins	\$351,582.75	\$3,727.06	\$355,309.81
11 Financial Forensics	\$14,862.50	\$7.20	\$14,869.70
12 Karr Tuttle	\$3,599.00	\$335.05	\$3,934.05
13 Peterson Sullivan	\$23,650.00	\$447.68	\$24,097.68

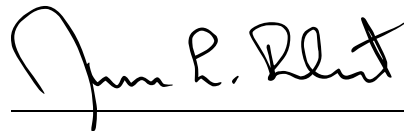
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15 Finally, the court AUTHORIZES the Receiver to disburse the following
16 percentages of the foregoing approved fees and costs at this time:

- 17 (1) The court AUTHORIZES the Receiver to disburse \$15,469.60 to the Receiver,
18 which is 80% of the approved fees and costs;
- 19 (2) The court AUTHORIZES the Receiver to disburse \$284,247.85 to Allen
20 Matkins, which is 80% of the approved fees and costs;
- 21 (3) The court AUTHORIZES the Receiver to disburse \$11,895.76 to Financial
22 Forensics, which is 80% of the approved fees and costs;

1 (4) The court AUTHORIZES the Receiver to disburse \$3,147.24 to Karr Tuttle,
2 which is 80% of the approved fees and costs; and

3 (5) The court AUTHORIZES the Receiver to disburse \$19,278.14 to Peterson
4 Sullivan, which is 80% of the approved fees and costs.

5 Dated this 10th day of January, 2018.

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8 JAMES L. ROBART
9 United States District Judge
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